



State of Arizona  
Department of Education

Tom Horne  
Superintendent of  
Public Instruction

August 10, 2006  
FD 09-07

To: National School Lunch Administrators  
Commodity Contacts

From: Leona K. Benally, Processing Specialist  
Food Distribution Program

Subject: Processed Commodity Carryover

Another school year begins and so Food Distribution is also starting anew. This year we have 35 approved manufacturers to process commodities. Each manufacturer has a list of schools that will be processing commodities in SY06-07. In processing commodities the manufacturers are responsible to communicate with the schools their inventory balances. This form of communication can be done via mail, phone or email.

It has come to our attention there are schools who have carryover inventory from SY05-06. These manufacturers are required to report on the schools with balances. As the designated agency we are obligated to approve any and all carryover inventory into SY06-07.

AZ has high balances of inventory being carried into SY06-07. The high balances are creating costly storage and losses due to aging commodities for the recipient agencies and the manufacturer. In addition, this inventory can have a negative impact on the new orders placed with USDA for SY06-07. By September 30, 2006 schools with carryover inventory must process those pounds by contacting the broker. The State Agency will authorize a transfer of unused inventory carried over to another eligible recipient agency who will utilize the commodities to reduce the excess pounds. This transfer will take place October 1, 2006.

If you have questions or concerns please feel free to contact me at (602) 364-1965 or Dawn Irvine at (602) 364-0714. Thank you.

cc: Processors  
Brokers